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FOREIGN SERVICE DESPATCH

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FROM AMEMBASSY, GUATEMALA
TO THE DEPARTMENT OF STATE, WASHINGTON.

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January 1, 1953
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SUBJECT: Joint Weeka No. 1 for State Army and Air Departments from SAA - Section I.

As the year closed, the ARBENZ Administration clothed the Communist leader José Manuel FORTUNY with further support in his bid to represent the Capital in Congress. Following last week's political meeting in the President's office, the Administration parties formally inscribed him as their principal candidate for a Department of Guatemala seat and the official Diario de Centro América gave his campaign front-page publicity. The anti-Communist movement at the last minute selected a unified slate to oppose Sr. Fortuny.

The Communists nonetheless guardedly showed that their satisfaction with Administration policies was incomplete by conducting a propaganda campaign against delays in carrying out the Agrarian Reform through the Confederación General de Trabajadores de Guatemala (CGTG) and the newspaper Octubre. They especially asked for the immediate removal of judges who had set aside a provision of the Agrarian Reform Law when they took jurisdiction in appeals of persons administratively fined or jailed by Agrarian Reform authorities.

Dr. Raúl OSEGUEDA, the Foreign Minister, told the press that Guatemala was sympathetic to a reported Ecuadorian proposal for an international organization composed of the Central American states, Colombia, Ecuador and Venezuela.

DOMESTIC AFFAIRS

Prior to the December 31 deadline for entering candidates for the January 16-18 Congressional elections, the Partido Acción Revolucionaria (PAR), the Partido de la Revolución Guatemalteca (PRG), the Renovación Nacional (RN) and the Communist Partido Guatemalteco de Trabajo (PGT) joined in inscribing Sres. José Manuel Fortuny, Secretary General of the Communist PGT and Ernesto CAPUANO, nominee of the PRG as the "Democratic Electoral Front" candidates for the two Deputy seats at issue in the Department of Guatemala. These were the parties which last week

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held a meeting on electoral tactics in President Arbenz' office (Weeka No. 52). This week the official Diario de Centro América gave daily front-page publicity to the electoral front's activity and headlined the Fortuny-Capuano campaign. Other "Democratic Electoral Front candidates were inscribed in the provinces but the press has not yet reported the list of nominees.

The anti-Communist opposition, on the recommendation of the eleven incumbent opposition Deputies, finally agreed on a ticket of Sr. Jorge Adán SERRANO and José Luis ARENAS Barrera to oppose the Fortuny-Capuano slate. Tactical controversies, however, still troubled them, and the Partido Independiente Anticomunista de Occidente (PIACO), the principal anti-Communist organization in the Quezaltenango region, quit the electoral race altogether, stating it was doing so in protest against the registration of the PGT.

A further complication in the Department of Guatemala race was added when the new leftist, anti-Communist Partido Revolucionario Ortodoxo (PRO) inscribed a slate composed of Sr. Manuel AVILA Ayala, its Secretary of Propaganda and Sr. Pedro Julio GARCIA Manzo, a non-party member who is Director of the independent newspaper Prensa Libre. Whether this slate, which has little chance of winning, will cut more deeply into the Administration or the opposition vote is an open question.

Meanwhile, the registration of Sr. Fortuny's PGT as a legal political party (Weeka No. 51) was challenged by the Comité de Estudiantes Universitarios Anticomunistas (CEUA) which maintained that it was unconstitutional to register a political organization of an international nature and requested to see the documents on which the registration was based. Sr. Alfredo GUERRA Borges, PGT Secretary of Propaganda, published a sharp attack on the CEUA's action, saying among other things that its purpose was to put the list of party members "in the hands of the United States Embassy". The Civil Registrar said that the documents could not be handed over for examination since they were in the hands of the National Electoral Council which was conducting its own inquiry into the validity of the PGT inscription.

The Communists' desire to have the pace of the Agrarian Reform quickened (Weeka No. 47) was highlighted again during the week by the energetic protests directed by the national labor federation CGTG against the action of several courts in reversing administrative fines and sentences imposed by the National Agrarian Department on various persons for "obstructing the implementation of the Agrarian Law" (Weeka No. 52, Part II). The CGTG cited the provision of the Agrarian Reform Law barring appeals to the courts and demanded the immediate removal of the judges who had admitted these cases, saying that if agrarian reform cases got bogged down in the courts there would be

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interminable delay. Writing in the December 26 Communist Octubre under the heading of "No More Delay: Hand Over the Land Immediately", Sr. Guerra Borges said the Agrarian Reform was the "first really revolutionary step in the eight years of the Guatemalan revolutionary movement" and that old legal dispositions must give way before the thrust of the revolution.

As if unimpressed by this outcry, Major Alfonso MARTINEZ, opportunist Chief of the National Agrarian Department, extended by forty days the time allotted to local agrarian authorities to turn in requests for the expropriation of farms subject to the Agrarian Reform Law, an action which is likely to delay further the distribution of private property.

FOREIGN AFFAIRS

Dr. Raúl Osegueda, the Foreign Minister, told the press that there was nothing official on a press report that Ecuador had proposed an international organization composed of the Central American States and Colombia, Ecuador and Venezuela, but that Guatemala would view such a proposition with sympathy. (He did not attempt to reconcile this statement with his previous announcement that Guatemala would not attend the 1953 Caracas Inter-American Conference as long as the present Venezuelan situation persists, Weeka No. 5Q.) He also said that there was nothing official on the possible inclusion of Panama in the Organization of Central American States (ODECA).

The pro-Government Nuestro Diario and the independent Prensa Libre both published front-page stories based on a Reuters despatch quoting Senator Allen J. Ellender of Louisiana as saying on departing from Guatemala that United States companies in Latin America were "exploiting those countries and carrying away the profits without leaving them anything in exchange for their natural resources."

For the Ambassador:

William L. Krieg
Counselor of Embassy

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